

SUBMISSION TO:

T H E M I N I S T E R I A L

ADVISORY COMMITTEE ON CO-OPERATION

FROM:

THE CO-OPERATIVE FEDERATION OF VICTORIA LTD.



## CO-OPERATIVE FEDERATION OF VICTORIA LTD.

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29TH APRIL 1985

The Co-operative Federation of Victoria Ltd. (C.F.V.) has been reviewing its structure, functions and resources with a view to developing a corporate plan for the next few years.

This has taken into account much of what has been discussed by M.A.C.C., in a way seizing the initiative and commencing the implementation process. The C.F.V. is seeking to establish the essential structure, and resources that will be necessary to service an expanded co-operative sector and in the provision of comprehensive advice on co-operative matters.

This paper is intended to advise M.A.C.C. of this process and to seek comments and support. The actual implementation of the plan and projects outlined in this paper are dependent on resources and to the extent that resources in the short term are limited some assistance from government is sought.

Before addressing in detail the activities of the Co-operative Federation of Victoria the position of the C.F.V. must be put into context.

The following briefly outline our favoured structure of organisation for the Co-operative sector (diagram attached).

1. 'PRIMARY LEVEL'

This consists of individual co-operatives which, for convenience, could be grouped by industrial activity or common purpose.

These co-operatives are organised by citizens or organisations who chose<sup>to</sup> organise some activity on the co-operative model to provide benefits for themselves.

Individual co-operatives range widely in activity, size, degree of experience, legislative incorporation. All, however, demonstrate the principles of mutuality and self-help. (See section on Definition).

2. ASSOCIATIONS (SECONDARY LEVEL)

Associations are formed by groups of co-operatives again utilising the principles of mutuality and self-help to provide common services and activities on a collective basis.

Through these Associations activities and services required by individual co-operatives can be developed which individually would be uneconomic or impractical.

The activities of Associations are generally "industry" specific directed towards the immediate needs of their members.

3. FEDERATION (TERTIARY LEVEL)

Federations are developed by groups of co-operatives and associations from various industry sectors coming together to address common and collective needs.

The organisation and activities of Federations are very similar to that of Associations but are not "industry" centered. Federations are generally concerned with the "co-operative" needs and nature of co-operatives rather than any specific "industry" related need.

Federations operate on the basic principles of self-help, mutuality and pooled resources.

Activities which are uneconomic at the Association level may become possible at the Federation level.

4. On an international and interstate level co-operatives are linked by various Federations, or Associations, creating an international network for the movement.

5. 1 - 4 above can be considered the "Co-operative Movement" proper. We must, however, address the various agencies and government bodies that exist to service, monitor and regulate co-operatives.

(a) The Registry

This is the principle regulatory body, responsible for various legislative activities etc. as prescribed by the Co-operation Act 1981. The role of the Registry

need not be confined to that of enforcement but should also extend to the development of resources to foster new co-operative development. Their centre of focus would be legal and technical aspects of registration and formation.

(b) Statutory Committees

e.g. Co-operative Societies Advisory Council

Credit Societies Guarantee Fund Advisory  
Committee

Several bodies exist to advise or undertake various duties as prescribed by law. These bodies are generally independent of each other and deal with either industry specific matters or specific issues,

OR Victorian Co-operative Council

Via the M.A.C.C. process some discussion has been made concerning the establishment of a Victorian Co-operative Council which would generally provide advice on the Victorian Co-operative sector to the Minister.

The C.F.V. would like to put forward a view that such a council could be established by utilising a reformed "Co-operative Societies Advisory Council" with an enlarged membership with members drawn from all levels of the movement, as well as from relevant professions.

The existing responsibilities and activities of bodies such as the CSGFAC etc. could be incorporated within the Council as standing committees, with "expert" members where necessary.

This would ensure a close relationship with the rest of the movement and allow comprehensive advice to be given to the Minister.

If activities, such as those of the Co-operative Development Unit of M.E.A.T. and of M.A.C.C. and any other department dealing with co-operatives could also be drawn under the umbrella of the V.C.C. (via ad hoc committee) significant progress would be made in strengthening and drawing the movement together. Various efficiencies and economies should also result from this much simplified process, making interchange of information easier and allowing for co-ordination of any development initiatives.

As the V.C.C. is envisaged as an advisory body not a "service deliverer" no specific staffing requirements would be necessary other than that which might be required for any standing committee functions. The Registry in general would provide the secretariat and other resources.

Whilst a V.C.C. would be a source of advice to the Minister it in no way could carry a mandate to negotiate on behalf of the movement.

Negotiations and other interaction between government and the co-operative sector should be via the movement's own structure utilising the various Associations and the Co-operative Federation of Victoria.

In the organisation of the V.C.C. some provision for advice to be given to "other" ministries, as required, should be made as currently several ministers are involved with the co-operative sector.

6.

MINISTER

The question of within which ministry should the co-operative sector be located has been raised. The appropriateness of the Ministry of Housing being questioned as many co-operatives do not operate in the housing sector.

This is a difficult question to consider. The C.F.V. is firmly of the belief that whilst co-operatives operate in various industries they should be regarded as a whole and not separated according to activity. To place, say, the registration and inspectorate function in Corporate Affairs, monitoring of credit co-operatives under Treasury; housing societies under the Ministry of Housing; Worker Co-operatives under the Ministry of Employment & Training etc. would create division within the movement and significantly inhibit its development.

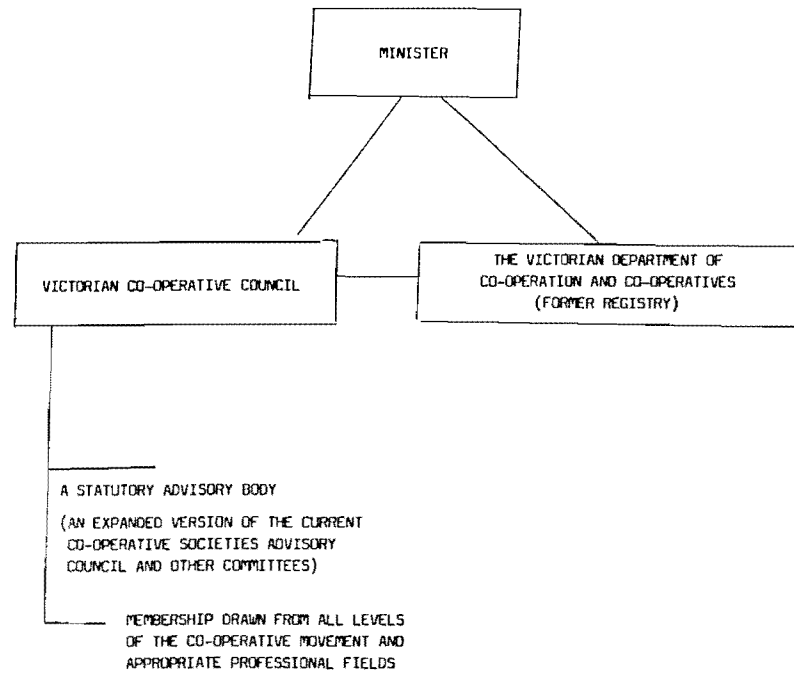
The C.F.V. believes that the co-operative sector has great potential and that it should be regarded as a specific component of a Minister's portfolio. We favour the retention of the Ministry of Housing as the appropriate ministry as they have already developed extensive experience in this area. We would, however, like to see the movement recognised by inclusion of the word 'Co-operatives' or 'Co-operation' in the Minister's portfolio title.

Should a transfer from the Ministry of Housing be contemplated, we would request that the "co-operative dept." should be maintained as a distinct entity and not absorbed within other functional areas.

Regarding the present title of the Legal and Registry Division. This we believe could be changed to include the word "Co-operative" e.g. "The Victorian Department of Co-operation and Co-operative Development". Such a title more readily identifies their activities particularly to people not already aware of the systems.

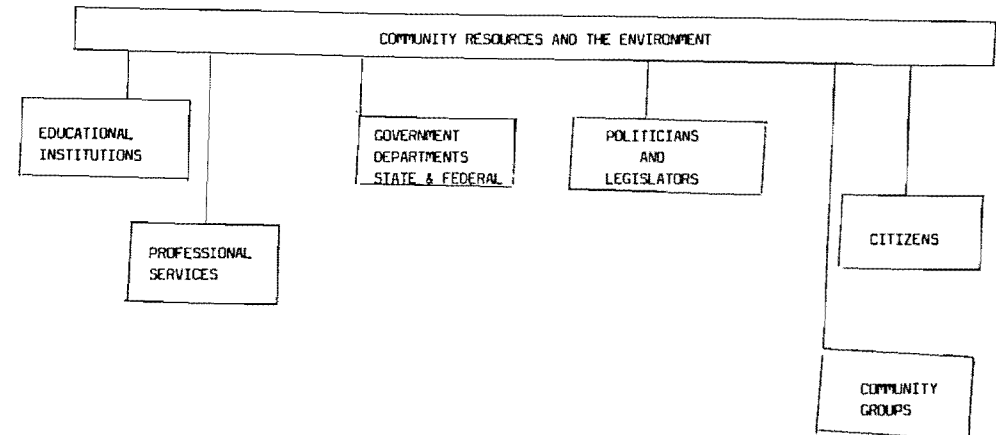
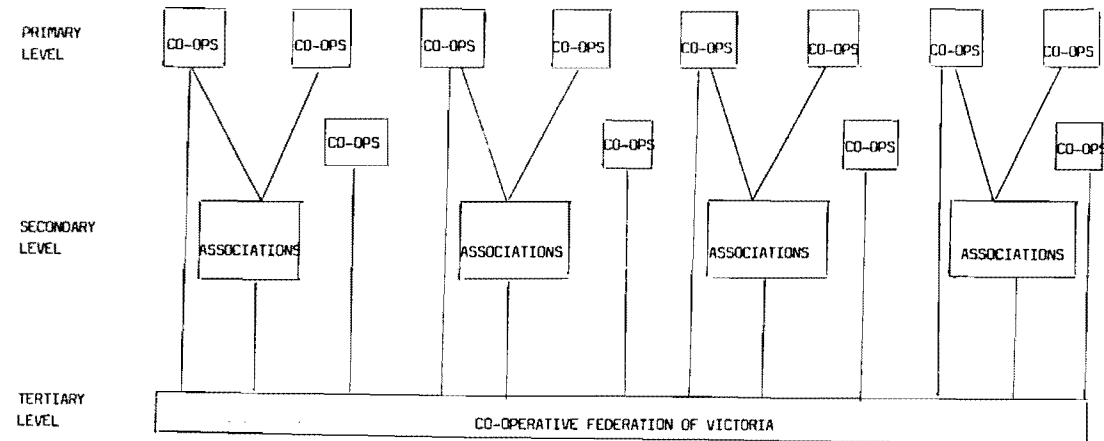


GOVERNMENT CO-OPERATIVE SECTOR



CO-OPERATIVE SECTOR

BY FREE AND OPEN ASSOCIATION



## DEFINITION OF A CO-OPERATIVE

The C.F.V. believes that any definition must be centred around the six "International Principles" of Co-operation. To define co-operatives in any way that would conflict with these Principles would set Victoria apart from the world movement. But there are limits to the extent to which the Principles can be adopted as a legislative definition.

The Principles have been drawn from a study of successful co-operation throughout history and in many social and economic environments. The Principles set down the most common denominators which have distinguished co-operative organisations from other forms of organisation but throughout their wording the Principles admit the need for diversity, flexibility and evolution by the deliberate use of the word "should" in preference to the use of the restrictive word "must".

The definition proposed therefore sets out as a preamble the International Principles of Co-operation as adopted in 1966 by the International Co-operative Alliance, with a general requirement that the rules of a Co-operative generally reflect such Principles. The specific legislative definition then proposed is drawn from Division 9 of the Taxation Assessment Act with appropriate expansion to include Credit Co-operatives, Worker Co-operatives and ~~Housing~~ Co-operatives.

The C.F.V. offers the following as a suitable definition:

A Co-operative is an incorporated body:

(A) The rules of which generally reflect the following Internationally adopted Principles of Co-operation :

- (1) Membership of a co-operative society should be voluntary and available without artificial restriction or any social, political, racial or religious discrimination, to all persons who can make use of its services and are willing to accept the responsibilities of membership.
- (2) Co-operative societies are democratic organisations. Their affairs should be administered by persons elected or appointed in a manner agreed by the members and accountable to them. Members of primary societies should enjoy equal rights of voting (one member, one vote) and participation in

decisions affecting their societies. In other than primary societies the administration should be conducted on a democratic basis in a suitable form.

- (3) Share capital should only receive a strictly limited rate of interest, if any.
- (4) Surplus or savings, arising out of the operations of a society belong to members of that society and should be distributed in such a manner as would avoid one member gaining at the expense of others.

This may be done by decision of the members as follows :

- (a) By provision for development of the business of the Co-operative;
  - (b) By provision of common services; or
  - (c) By distribution among the members in proportion to their transactions with the Society.
- (5) All co-operative societies should make provision for the education of their members, officers, and employees and of the general public, in the principles of techniques of Co-operation, both economic and democratic.
  - (6) All co-operative organisations, in order to best serve the interests of their members and their communities should actively co-operate in every practical way with other co-operatives at local, national and international levels; and

(B) The rules of which specifically :

- (1) Limit the number of shares which may be held by or on behalf of any one shareholder.
- (2) Prohibits the quotation of the shares for sale or purchase at any stock exchange or in any other public manner whatsoever,

and includes a Co-operative which has no share capital and which in either case is established for the purpose of carrying on any business having as its primary object or objects one or more of the following:

- (a) The acquisition of commodities or animals for disposal or distribution among its shareholders.
- (b) The acquisition of commodities or animals from its shareholders for disposal or distribution.
- (c) The storage, marketing, packaging or processing of commodities of its shareholders.
- (d) The rendering of financial or other service to its shareholders.
- (e) The acquisition of property for occupancy of its shareholders.
- (f) The obtaining of funds from its shareholders for the purpose of making loans to its shareholders to enable them to acquire

land or buildings to be used for the purpose of residence or of residence and business.

- (g) to operate as a "free collective enterprise of associated workers".

The attention of M.A.C.C. has been drawn to the historic development of Co-operatives in Victoria and the fact that there are major co-operatives which have developed under the Companies Code (at the time of the establishment of these co-operatives there was no Co-operation Act).

We believe that these Co-operatives with their experience have much to offer M.A.C.C. and its current activities. They reflect the impact of various economic, social, financial and commercial factors that have existed during the course of their development (30 to 70 years). A study of their operations we believe will highlight the need for appropriate resources and structures for developing co-operatives as many of the challenges and issues faced by these long established co-operatives will be faced by co-operatives currently being formed.

We believe a study of these co-operatives will show a genuine adherence to the spirit behind the co-operative movement. The C.F.V. is concerned that many of these co-operatives which have been the backbone support of the Victorian Co-operative Movement are now being considered by some as "non co-operative".

The C.F.V. believes that it is important that any definition accommodate the diversity that exists within the co-operative movement and fully recognises the financial, economic and commercial needs of modern business as well as the social and democratic needs of co-operatives. There is also the need to recognise the historic development of Co-operatives in Victoria and to adequately accommodate "Co-operatives" that have developed under the Companies Code for various reasons.

Organisations seeking incorporation under the Co-operation Act should require the Registrar's approval. (Attached as an Appendix are some criteria used in Manitoba, Canada, to assess applications).

## POSITION, ROLE AND FUNCTIONS OF THE CO-OPERATIVE FEDERATION OF VICTORIA

The C.F.V. sees the role as being a central body in the movement which can bring together co-operatives from different sectors to address matters of common concern, develop facilities to meet common needs and generally support and promote the development of the co-operative model.

The proposed role of the C.F.V. is in harmony to that being developed for Associations but the centre of focus is not "industry specific" but "co-operative" biased.

The activities of the C.F.V. could be grouped under two areas -

### 1. Common Services and Facilities

In much the same way that industry specific services are developed at the Association level some services are more appropriately facilitated at a Federation level, either because they are common to all sectors and/or that they only became efficient and economic at a large scale of operation.

Example of such developments could be -

Insurance schemes, superannuation.

Educational resources and facilities.

Promotional facilities/resources.

Banking. Business and professional services.

The C.F.V. should not seek to maintain control over these various facilities or services within its own organisation.

The C.F.V. would not have the specialist skills required and there would be some real danger that the service would absorb available resources, establishing conflicting demands etc. within the C.F.V.

,/e

The model to be followed, believe, is to use the C.F.V. as a temporary umbrella during the establishment phase. The various co-operatives interested in any particular service or facility could come together, establish a specific committee and begin the process of developing their project. Once operational, the project should seek to operate as an independent organisation, preferably a co-operative in its own right.

The C.F.V., during the establishment process, can offer administrative and other forms of support.

The benefits of this method include -

- (1) specific use of expertise
- (2) clarification of roles and avoidance of conflicts regarding priorities;
- (3) Co-operatives not interested in particular ventures need not be involved;
- (4) no cross subsidies - benefits of each venture would be returned more directly to each participating co-operative;
- (5) avoids the necessity for an intending user of a service to be a member of a specific association or Federation.

Membership of the Federation would be voluntary in that no member would have to be a member because of some dependence, economic or practical on a particular service.

Resultant from the above would be a 'small' scale C.F.V.

- specialist staff etc. being recruited for specific purposes.

Of the projects currently being considered the establishment of a formalised education and training facility for co-operatives is the most pressing. This is required, not only to service the existing co-operative sector but also to assist in the development of the co-operative model.

2. The second area of C.F.V. activity is as the "voice" of the Co-operative movement.

Major tasks of the C.F.V. are -

- (1) to ensure improved awareness and understanding of the Co-operative concept among
  - (a) Government representatives & Legislators
  - (b) Member organisations of the Federation
  - (c) Government Departments
  - (d) Selected business and community organisations
  - (e) the general public and the media
- (2) Promote the exchange of information and encourage intertrading between member organisations of the Federation.
- (3) To improve the availability, accuracy, and timeliness of information relevant to the Victorian Co-operative sectors operations and development.



- (4) To assist member organisations in their relations with Government.
- (5) To consider and recommend legislative reform for the benefit of members and to watch the interests of member organisations in legislative matters generally.
- (6) To make representations to Government and its agencies on issues affecting the Co-operative movement (acting appropriately with member co-operatives or industry associations).
- (7) To promote the formation of new Co-operatives and to obtain and provide advice on legal, accounting, administration, financial and other problems and matters on which its advice and assistance may be sought.
- (8) International/Interstate Liaison  
To liaise with other interstate and international co-operative organisations, establishing interchange of information and we providing assistance to projects aimed at developing co-operatives in developing countries.

## C.F.V. RESOURCES

The attached membership subscription list and financial statements illustrate the resources available to the C.F.V.

The C.F.V. operates essentially from its member subscriptions, approximately \$40,000 per annum, which covers essential administrative costs and the salaries of an executive officer and part-time secretary.

In order to address successfully the objects of the C.F.V. and to realise some of the potentials of the movement there is a real need to increase the basic level of resources available to the Federation.

It is felt that subscription rates cannot be increased. Already a few larger co-operatives carry the major burden of costs. The favoured strategy is, in fact, to recruit more members, thereby broadening the membership base, increasing resources and lessening the burden born by a few co-operatives.

As indicated earlier, there is no desire to create a large organisation, in the first instance increase of staffing to include a research/communications assistant for the executive officer is envisaged.

A medium/long term staffing of

- 1 - Executive officer
- 1 - Research administrative officer
- 1 - Communications/Education and Training Officer
- 1 - Secretary

can be envisaged as necessary.

The use of specific consultants and resources available from within the movement should be made to address particular projects from time to time supplementing the above base.

The process of widening the membership of the C.F.V. is complex and itself creates resource problems. Members are difficult to attract and existing resources are not adequate for a major recruitment program.

In recent years the majority of the resources available have, in fact, been directed towards government rather than outwardly towards the movement. Participation in government reviews, committees, making submissions etc., whilst very important activities of the Federation, have meant some neglect of other objectives. The small income received from government goes only a little way in addressing the problem created (\$2,500).

In addition to the continued involvement in various government initiatives, three major areas for activity have been identified. These are more outward looking and would assist in bringing more co-operatives into the Federation.

1. The development of a "Newsletter" directed at co-operatives, co-operative directors, co-operative members and general supporters of the co-operative concept.

It is believed that there is a need for improved communications at various levels and the need for a medium through which the co-operative model can be promoted.

A "Newsletter" designed so that it carries context relative to existing co-operatives as well as establishing co-operatives could address many of the current problems of awareness of the movement.

A suitable newsletter could provide resource materials to teachers to explain the model in schools and hence introduce the co-operative alternative at an early stage.

The newsletter, whilst distributed via the Federation's membership should also be available on a subscription basis to organisations and citizens sympathetic to the movement. This would significantly widen the circulation and assist in the education of the general public.

The establishment of a newsletter we believe can be accepted as part of the government's strategy for the promotion of co-operatives and as such could receive financial support, especially in the early establishment stages. Initially much of the context would relate to activities of M.A.C.C., legislative reform etc. The medium to long term aim should be for the costs to be born by the movement and via subscriptions.

There are good possibilities once a significant circulation is established for revenue to be earned via advertisements, particularly from firms and co-operatives servicing the movement. A newsletter could also be attractive to co-operatives which have no internal communications system with their members.

2. THE DEVELOPMENT OF AN ANNUAL CO-OPERATIVE CONFERENCE

The C.F.V. has annually held a conference attended by some 60-80 persons or delegates from member co-operatives.

It is felt that an annual conference which draws together co-operatives of all types can fulfil many useful purposes.

- (a) improved inter co-operative relationships;
- (b) improved public awareness of co-operatives and exposure of the co-operative model;
- (c) facilitate specific education and training workshops or seminars;
- (d) Improved communications between co-operatives and other business or government sectors;
- (e) provide a forum for exchange of ideas and concerns on an intrastate, interstate and international level.

3. THE DEVELOPMENT OF A MORE FORMALISED EDUCATION AND TRAINING FACILITY FOR CO-OPERATIVES, DIRECTORS, STAFF AND EMPLOYEES, TOGETHER WITH THE DEVELOPMENT OF RESOURCE MATERIALS FOR USE IN SCHOOLS AND THE GENERAL COMMUNITY

The research document prepared for M.A.C.C. on the education and training needs of co-operatives sets out the basic areas of concern and needs. The C.F.V. believes that it is important that the development of any "authority" needs to come from within the movement if it is to gain the support and commitment of co-operatives.

Many co-operatives, either independently or through their associations and the Federation, have invested significant

resources in the area of education and training and the C.F.V. believes that it is from that base that a formalisation of facility and courses should be developed.

The C.F.V. believes it appropriate for them to auspice a project aimed at drawing together the various co-operatives and associations on the issue of education and training, By commencing the process, greater interchange and uses of existing materials and courses should be experienced and the general concept of an "authority" canvassed.

There is also a pressing need to initiate a basic programme of courses for the education and training of existing co-operative directors, secretaries and managers that must not be forgotten.

The C.F.V. believes that by the employment of a specific resource worker in the area the two objectives outlined above would be achieved - and that this could again be considered as part of the government's strategy to implement the recommendations of the M.A.C.C. research document.

Incidental to these projects would be the drawing together of resource materials relating to co-operatives.

Currently various associations and organisations in Victoria have resource materials but no comprehensive listing/catalogue has been developed and I suspect little effective use is being made of available materials.

CO-OPERATIVE FEDERATION OF VICTORIA LTD.

ALPHABETICAL LIST OF

MEMBERS AS AT  
31ST DECEMBER 1984

SUBSCRIPTIONS - 1984-85

<u>Member No.</u>		<u>1984 sub.</u>	<u>1985 sub.</u>	<u>Date record</u>
17	Abalone Fishermen's Co-op. Ltd.	520	1100	1.11.84
54	Amalgamated Co-operative Marketers(Aust)Ltd.	-	4000	21.9.84
50	Apollo Bay Fishermen's Co-op. Ltd.	400	440	10.12.84
49	Associated H.I. Co-operative Ltd.	1500	180	28.11.84
25	Australian Footwear Retailers Co-op.Ltd.	300	330	12.12.84
16	Ballarat Employment Co-operative Ltd.			
20	Bendigo Trading Co-op. Ltd.	400	550	14.11.84
47	Central Gippsland H.I. Co-op.Ltd.	x	180	28.11.84
28	Cobden Artificial Breeders Co-op.Ltd.	x	120	28.11.84
31	Colac H.I. Co-op. Ltd.	x	120	28.11.84
18	Community Work Society Co-op. Ltd.	50	55	14.11.84
6	Co-operative Ins. Co. of Aust.(Vic.)Ltd.	1000	2000	19.11.84
38	Correct Line Graphics Co-op. Ltd.			
11	Emerald and District Co-op. Ltd.	300	330	14. 2.85
53	Gay Publications Co-op. Ltd.		50	26.6.84
32	Gippsland Tip Truck Hiring Co-op. Ltd.	50	200	21.12.84
22	Goulburn Valley H.I. Co-op. Ltd.	x	180	28.11.84
41	Goldfields Community Radio Co-op. Ltd.	120		
42	Hodja Educational Resources Co-op. Ltd.	200	200	22. 2.85
48	Housing Socs. of Vic., Fedn. of	200	300	13.11.84
23	Ibis Milk Products Ltd.	3700	4000	5.11.84
7	Lakes Entrance Fishermen's Co-op. Ltd.	1000	100	21.1.85
44	Maryborough Bootstrap Trdg.Co-op. Ltd.	100		
43	Mitta & Klewa Valleys A.B. Co-op. Ltd.	x	120	
15	Morwell Co-operative Ltd.	750	825	14.11.84
46	Mullawingee Jojoba Co-op. Ltd.	50	55	17.12.84
10	Murray Goulburn Co-op. Ltd.	3700	4000	8.11.84
24	Murrabit Advancement Co-op. Ltd.	50	55	13. 2.85
12	North Eastern Co-op. Ltd.	2200	2420	23.1.85
35	Northern H.D. Co-oper. Ltd.	x	180	28.11.84
34	Numurkah E.Goulburn H.I. Co-op.Ltd.	x	180	28.11.84
37	Orbost A.B. Co-op. Ltd.	x	55	28.11.84
51	Pea Growers Co-op. Ltd.	-	200	8.5.84

5	Phosphate Co-op. Co.of Aust.Ltd.
21	Public Images Co-op. Ltd.
13	Robinvale Producers Co-op. Ltd.
30	Rochester H.I. Co-op. Ltd.
52	San Remo Fishermen's Co-op.Ltd.
1	Security Co-op. PBS Ltd.
27	South Gippsland A.B. Co-op. Ltd.
36	Terang & District Co-op. Ltd.
29	Timboon H.I. Co-op. Ltd.
	Toora & District A.B. Co-op. Ltd.
40	Upper Murray A.B. Co-op. Ltd.
4	Victorian A.B. Co-op. Ltd.
3	Victorian Credit Co-op. Assoc.Ltd.
2	Victorian Producers Co-op. Ltd.
39	Warrandyte Community Workshop Co-op.Ld.
8	Warrnambool Co-operative Ltd.
33	Waverley Trading Co-op. Ltd.
9	Western H.I. Co-op. Ltd.
19	West Gippsland H.I. Co-op. Ltd.
45	Wholefoods Co-op. Ltd.
	Yinnar A.B. Co-operative
26	Yinnar Community Hotel Co-op. Ltd.
14	Y.C.W. Co-operative Ltd.

TOTAL

1984 sub.	1985 sub.	Date record
3700	4000	31.10.84
1000	100	21.1.85
x	120	28.11.84
-	290	15.6.84
1000	1500	6.12.84
x	180	28.11.84
300	330	12.12.84
x	120	28.11.84
x	55	28.11.84
x	25	28.11.84
750	1375	17.12.84
1000	2000	22. 3.85
3700	4000	21.12.84
50		
1750	2310	21.11.84
300	330	22.11.84
x	180	26.11.84
x	180	28.11.84
50		
x	25	28.11.84
200	220	12.11.84
600	660	4.12.84
30990	40545	



CO-OPERATIVE FEDERATION OF VICTORIA LTD.BUDGET - 1986

		<u>1985</u> Projected
<u>INCOME</u>	\$	
Subscriptions (Members)	56,120	40,185
(Newsletters) 80 x \$100	8,000	-
Donations	2,000	4,050
Grants		
1. Newsletter 18000)		
2. Conference 5000)	57,000	2,500
3. Educ. & Training 34000)		
Interest	3,000	2,448
Federation services	4,000	3,196
Conference 250 x \$25	6,250	-
Directors' Seminar	4,000	5,049
Newsletter Advertisement	2,000	-
	<u>142,370</u>	<u>57,428</u>
<u>EXPENSES</u>		
Audit	900	915
Bank Charge	100	97
Car Exp.	2,500	2,066
Consultancy	3,000	3,773
Conference	11,250	-
Directors' Seminar (Note)	4,000	5,049
Depreciation	1,200	1,069
Education Project Expenses	5,000	-
Insurance	900	626
Meetings	520	22
Newsletter	5,000	-
Postage	1,500	940
P. & S.	3,500	1,980
Publications (exclusive of Newsletter)	1,000	698
Rent	4,000	1,430

1985  
Projected

Salaries (1)	Executive Officer	34,000	
(2)	Newsletter & Communications Assistant	18,000	
(3)	Secretary	11,000	
(4)	Education Project	25,000	34,096
Subs.		2,500	2,002
Sundries		2,000	1,394
Telephone		2,000	1,322
Travel		3,500	2,072
Video		-	1,250
		<hr/> 142,370	<hr/> 60,801
	Deficit	<hr/> -	<hr/> (3,373)

NOTE

Directors' Seminar - 1985

Income received - \$5,049

Costs \$5,049 plus administrative and secretarial costs  
absorbed within other expense items.

## FUNDING STRATEGY - REQUEST FOR SUPPORT

Based on an acceptance that the role outlined for the C.F.V. is supported, and the specific projects also are supportable, there is the need to finance the proposed activities.

It must be stated that there is a reluctance for the C.F.V. to seek a subsidy from government. We believe that we are not seeking a subsidy in the sense that the objects of the C.F.V. are in harmony with the government's desire for an expanded and efficient co-operative sector. In a real sense a fee for service principle applies with the projects offering mutual benefits to the movement and to government.

The proposed budget for the C.F.V. for 1985-86 is as attached.

### PROJECT BUDGETS

(1)	<u>Newsletter</u> exp.	\$18,000	wages	
		5,000	materials & basis production costs	
		5,000	other overheads	
		<hr/>		
		\$28,000		
		<hr/>		
			Income - subscription	\$8,000
			Advertising	2,000
				<hr/>
			NET	\$18,000
				<hr/>
(2)	<u>Conference</u> exp.	\$11,250		
	less received via fees	6,250		
		<hr/>		
	NET	\$ 5,000		
		<hr/>		
(3)	<u>Educational Project</u>	\$25,000	Wages	
		9,000	other direct & resource expens.	
		<hr/>		
	NET	34,000		
		<hr/>		
	TOTAL	\$57,000		
		<hr/>		

The C.F.V. board has already determined that it should seek fee for service or a sitting fee wherever appropriate when it becomes involved with the provision of advice or service directly to government or non member organisations. In 1985-86 this will make a slight improvement to income.

Regarding the Newsletter project -

government support to the value of \$18,000 is requested.

This would cover the wage costs of an employee 2/3 time to produce the document - direct costs of distribution and production are to be recovered via increased subscription to C.F.V. "Newsletter, membership, advertising etc." (but using existing co-operative distribution networks costs should be minimised).

Regarding the Conference - \$5,000 is requested.

This is to cover - advertising & promotion	\$ 1,500
resource materials	1,500
Speakers' fees	1,000 (contribution)
costs for invited guests not recovered via attendance fees, administration etc.	  1,000 <hr/>
	\$5,000 <hr/>

Support to the value of \$5,000 should ensure that attendance fees are minimised to the extent that they cover venue and refreshment costs thereby making the conference accessible to more co-operatives and co-operators.

Regarding the Education & Training project -

the recovery of costs of a resource worker is requested.

\$25,000 and \$5,000 on costs, together with, say, a contribution of \$4,000 to cover rent, increased secretarial services, telephone etc.

TOTALS

	\$
Newspaper	18,000
Conference	5,000
Education & Training	34,000
	<hr/>
	\$57,000
	<hr/>

Organisations seeking incorporation as a Co-operative should be required to have the Registrar's approval who, in turn, should be advised by the proposed Victorian Co-operative Council.

In assessing applications the following criteria may be of assistance. This is used in Manitoba, Canada.

#### CO-OPERATIVE CRITERIA

1. be comprised of interested and dedicated people who are knowledgeable in co-operative principles and practices, or are willing to learn them through education programmes;
2. have sound co-operative objectives;
3. show a common need or desire of its members;
4. demonstrate the potential to be a self-regulating, self-sufficient organisation within a reasonable time period;
5. show it will operate as a self-sustaining business organisation;
6. shows ability to provide management.

Financial stability can be demonstrated by -

- (1) apparent success of the operation - either known or projected;
- (2) funding from grants (all funding grants must be documented and guaranteed in writing).